

## Message Text

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SUBJECT: TEXT OF THOMPSON ARTICLE "IS THE TAIWAN QUESTION  
REALLY SO TOUGH", "THE SUN", JUNE 2.

REF: PEKING 1062

QUOTE:

ASK ANYBODY WHAT THE GREATEST PROBLEM IS FOR THE FUTURE OF  
U.S.-CHINA RELATIONS AND THE LIKELY RESPONSE IS TAIWAN.

RECENT AMERICAN VISITORS TO THE PEOPLE'S REPUBLIC HAVE  
RETURNED TO THE U.S. NOTING THE APPARENT RESOLUTENESS OF  
PEKING'S TERMS FOR IMPROVING RELATIONS WITH WASHINGTON.

THESE INCLUDE REMOVING THE REMAINING 4,500 U.S. TROOPS FROM  
TAIWAN, DECLARING THE 1954 U.S.-TAIWAN DEFENSE TREATY  
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INVALID, AND SEVERING RELATIONS WITH TAIWAN AS THE REPUBLIC  
OF CHINA.

ON THE PART OF U.S. OFFICIALS ONE IS LIKELY TO HEAR THAT

U.S. POLICY IS "TO IMPROVE RELATIONS WITH PEKING WITHOUT ABANDONING OUR ALLY IN TAIPEI." WHAT THESE POLICIES MIGHT MEAN IN FUTURE PRACTICE REMAINS DIFFICULT TO DISCERN, THOUGH THEY MAY BECOME CLEARER WHEN PRESIDENT FORD MAKES HIS SCHEDULED VISIT TO PEKING AT THE END OF THE YEAR.

BUT WHAT PEKING HAS NOT CHALLENGED IN REGARD TO TAIWAN MAY BE MORE IMPORTANT THAN ANYTHING ELSE.

IN ANY EVENT IT IS BY NO MEANS CLEAR THAT TAIWAN IS SUCH AN IRRECONCILABLE PROBLEM BETWEEN WASHINGTON AND PEKING. TWENTY-FIVE YEARS AFTER THE FOUNDING OF THE PEOPLE'S REPUBLIC OF CHINA ANY ARGUMENT THAT THE TAIPEI REGIME IS THE SINGLE LEGITIMATE CHINESE GOVERNMENT IS BY ITS NATURE FAR FETCHED, NOT TO MENTION PERVERSE.

THE RECENT DEATH OF PRESIDENT CHIANG KAI-SHEK HAS SIGNALLED THE END OF AN OLDER ERA IN SINO-AMERICAN RELATIONS, AND THE RISE TO POWER OF CHIANG'S SON, CHIANG CHING-KUO, MAKES THE ROLLBACK RHETORIC OF YEARS PAST RING MORE HOLLOW THAN EVER.

THE NEW CHIANG'S PRIMARY INTEREST IS THE DEVELOPMENT OF TAIWAN.

HE HAS MADE EFFORTS TO INCLUDE IN HIS REGIME THE TAIWANESE POPULATION THAT MAKES UP A MAJORITY OF THE POPULATION HERE. HIS CONCERN FOR MAINTAINING RELATIVELY HIGH LIVING STANDARDS OUTDISTANCES ANY TALK OF RECOVERING THE MAINLAND.

A MAJOR PART OF TAIWAN'S ECONOMIC LIFE INCLUDES RELIANCE ON AMERICAN, AS WELL AS JAPANESE, TRADE AND INVESTMENT. SIMPLY PUT, NOT MANY AREAS OF THE WORLD OFFER SUCH LUCRATIVE SITES FOR CAPITALIST EXPANSION.

THE RESULT HAS BEEN AN INCREASE IN U.S.-TAIWAN TRADE AT A FASTER PACE THAN THE NEW CONSIDERABLE TRADE BETWEEN THE UNCLASSIFIED

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U.S. AND THE PEOPLE'S REPUBLIC.

SOME OF THE BIGGEST U.S. INVESTMENTS IN TAIWAN ARE NOW GETTING UNDER WAY.

"AT LEAST ON THE ECONOMIC LEVEL, RELATIONS HERE WITH THE U.S. HAVE NEVER BEEN BETTER," A HIGH-LEVEL U.S.M OFFICIAL IN TAIPEI SAYS. THE NUMBER OF U.S. BANKS REPRESENTED IN TAIWAN IS FAST INCREASING, AND A NUMBER OF NEW TAIWAN

CONSULATES HAVE BEEN ESTABLISHED IN THE U.S. MANY EXPERTS BELIEVE THAT ASSURANCES HAVE BEEN GIVEN TO U.S. FIRMS THAT TRADE AND INVESTMENT IN TAIWAN WILL NOT BE JEOPARDISED

EVEN AFTER THE U.S. RECOGNIZES PEKING.

IF ECONOMIC RELATIONS APPEAR TO BE ON SOLID GROUND, WHAT ABOUT MORE SENSITIVE POLITICAL QUESTIONS?

THE THREE DEMANDS MADE BY PEKING MOSTLY HAVE TO DO WITH THE PRINCIPLE OF PEKING BEING THE ONLY LEGITIMATE CHINESE REGIME. ONCE WASHINGTON RECOGNIZES PEKING, THE 1954 MUTUAL DEFENSE TREATY WITH TAIPEI WILL AUTOMATICALLY BECOME A DEAD LETTER.

IT GOES WITHOUT SAYING THAT PEKING HAS NEVER ATTEMPTED TO SETTLE THE TAIWAN ISSUE WITH FORCE; NOR DO EXPERTS HERE BELIEVE THAT PEKING HAS THE MILITARY CAPABILITY TO DO SO.

IN PART BECAUSE OF THIS, THE 4,500 U.S. TROOPS THAT REMAIN IN TAIWAN ARE EASILY ENOUGH WITHDRAWN, AS IS THE COMMUNICATION FACILITY USED TO MONITOR MAINLAND BROADCASTS. BOTH ARE REMNANTS OF ANOTHER ERA.

GIVEN THE REMOTENESS OF ANY POSSIBILITY THAT FORCE WOULD EVER BE USED BETWEEN PEKING AND TAIPEI, ALONG WITH THE APPARENT CERTAINTY OF A STABLE BUSINESS ENVIRONMENT FOR THE FORESEEABLE FUTURE, IT IS DIFFICULT TO BELIEVE THE NOTION THAT SEVERING DIPLOMATIC RELATIONS WITH TAIWAN COULD BE INTERPRETED AS ABANDONMENT, AS SOME REPUBLICAN CONSERVATIVES IN THE U.S. MIGHT TRY TO SUGGEST.

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PERHAPS TO ASSUAGE THESE FEARS, THE U.S. HAS SIGNIFICANTLY BEEFED UP TAIWAN'S MILITARY CAPABILITY.

IN A SHORT PERIOD OF TIME TAIWAN HAS BECOME ONE OF AMERICA'S BEST MILITARY HARDWARE CUSTOMERS ON THE BASIS OF LONG-TERM U.S. MILITARY CREDITS.

SINCE THE NIXON VISIT THE U.S. HAS PROVIDED, AMONG OTHER THINGS, 7 DESTROYERS AND SUBMARINES. IN ADDITION, UNDER A CONTRACT WITH NORTHROP AVIATION TAIWAN IS BUILDING 100 OF ITS OWN F-5E JAT FIGHTERS UNDER A DOLS. 250 MILLION U.S. MILITARY CREDIT. OVERALL U.S. MILITARY CREDITS HAVE DOUBLED IN THE PAST TWO YEARS; A NEW PROJECT INCLUDES A COMPUTER-RADAR SYSTEM FOR TAIWAN'S ARMED FORCES.

THESE THINGS HAVE NOT GONE UNNOTICED IN PEKING, ALTHOUGH IT IS INTERESTING THAT THEY ARE NOT INCLUDED IN PEKING'S DEMANDS ON WASHINGTON FOR THE PURPOSE OF NORMALIZING RELATIONS.

NO ONE KNOWS AT THE MOMENT WHAT PRESIDENT FORD'S TRIP TO

PEKING WILL BRING BY WAY OF NEW STEPS DOWN THE LONG ROAD TOWARD THE ESTABLISHMENT OF DIPLOMATIC RELATIONS.

BUT PRESIDENT FORD INSISTS THAT HE WILL MAKE THE TRIP. AND IF HE RETURNS TO THE U.S. EMPTY-HANDED HE SURELY KNOWS THAT THE CRITICISM FOR WHAT WILL HAVE BEEN A JUNKET WILL BE SEVERE AS THE NEXT PRESIDENTIAL CAMPAIGN APPROACHES.

IT SEEMS LIKELY THOUGH THAT THE U.S. CAN RECOGNIZE CHINA'S SOVEREIGNTY OVER TAIWAN WHILE TAIWAN REMAINS UNDER TAIPEI'S CURRENT ADMINISTRATION. IT IS ON THIS SINGLE ISSUE OF SOVEREIGNTY THAT PEKING WILL ADMIT TO NO FLEXIBILITY. PEKING, IT CAN SAFELY BE SAID, FEELS THAT A SOFT POSITION ON THIS ISSUE WOULD WEAKEN ITS POSITION ELSEWHERE, IN TIBET AND MONGOLIA, FOR EXAMPLE.

FOR THE U.S. THE INTERNATIONAL LEGAL STATUS OF TAIWAN WOULD SEEM TO BE LESS IMPORTANT THAN, SAY, ALLOWING TAIWAN'S INTERNATIONAL TRADE AND INVESTMENT TO CONTINUE. UNCLASSIFIED

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THERE IS LITTLE REASON THAT A PEACEFUL SOLUTION AMENABLE TO ALL PARTIES' INTERESTS CANNOT BE WORKED OUT, SO LONG AS NOTHING AFFECTS "BUSINESS AS USUAL," TO QUOTE A CHINESE OFFICIAL IN TAIPEI.

BOTH CHINESE AND AMERICAN LEADERS REALIZE THAT HISTORY CANNOT SIMPLY BE REVERSED. CHOU EN-LAI REPORTEDLY TOLD A GROUP OF JAPANESE BUSINESS MEN THAT THE EVENTUAL REINTEGRATION OF TAIWAN INTO CHINESE SOCIETY COULD TAKE AS LONG AS 100 YEARS.

THERE ARE THOSE WHO ARGUE THAT WASHINGTON'S EVENTUAL RECOGNITION OF PEKING WILL DEAL A MASSIVE BLOW TO THE TAIPEI REGIME. BUT THE SETBACKS OF FORMER PRESIDENT NIXON'S TRIP, PEKING'S ADMISSION TO THE U.N., AND THE EXCHANGE OF LIAISON OFFICES HAVE BEEN WEATHERED HERE ALREADY. TAIWAN HAS DONE WELL INDEED TRADING WITH STATES THAT NO LONGER RECOGNIZE THE REPUBLIC OF CHINA.

THE DEMANDS THAT PEKING HAS MADE ON WASHINGTON FOR IMPROVED RELATIONS ARE JUST AS IMPORTANT FOR WHAT IS IGNORED, MAINLY ECONOMIC ISSUES, AS FOR WHAT IS SPECIFIED, MAINLY POLITICAL QUESTIONS.

IN SOME SENSE PEKING'S DEMANDS ONLY SIGNAL HOW UNIMPORTANT TAIWAN IS IN A POLITICO-MILITARY WAY, WHILE ACKNOWLEDGING THAT TAIWAN'S LIVELIHOOD DEPENDS ON FOREIGN TRADE AND INVESTMENT.

MORE IMPORTANTLY, WASHINGTON'S CURRENT POSITION MAINLY DEMONSTRATES CONTINUING COLD WAR HOSTILITY TOWARDS PEKING

AND A SENTIMENTAL ATTACHMENT TO A REGIME THAT HISTORY HAS  
SIMPLY PASSED BY. THIS IS REALLY THE ISSUE, NOT TAIWAN  
ITSELF.  
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ACCORDING TO SUN, "MR. THOMPSON, JAMES HART FELLOW IN  
INTERNATIONAL STUDIES AT THE HOPKINS, WAS IN PEKING LAST  
SPRING AND NOW IS IN TAIPEI.  
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